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Marketing Analytics

MKT 809 - SV

**Air France Case Summary**

The purpose of this paper is to summarize the understandings of the Air France case study from the Harvard Business Publishing. The case details Air France, its history in the airline industry, and the role of SEM in its strategy.

Air France is the culmination of 5 French airlines formed nearly a decade before World War 2. Air France made a name for itself over its lifetime. The organization is touted for being among the most efficient in Europe, as they provide the largest number of connections in the shortest time span. Eventually they penetrated the markets all across the world and as of present-day Air France serves 175+ destinations in 80+ countries with a fleet size exceeding 350 aircrafts.

Air France had a unique approach that fleet management that made them very competitive and adaptive to changes in the industry. They acquired aircrafts with rationalization and flexibility in mind. Coupled with short- and medium-term leases, Air France was able to quickly reduce capacity by getting rid of unnecessary aircrafts. It was for this reason that Air France was able to manage the turbulence in the airline industry for years.

The airline industry is an extremely competitive landscape. Despite the best efforts of industry giants, improvements in transportation quality, profits are hardly enough to cover operating expenses. The industry was impacted heavily my bankruptcies and inconsistent demand resulting in low profitability. This drove airline companies to start focusing on the international market. The growth opportunity within the airline industry was accelerated by the emergence of the Internet.

A few things needed to happen for companies to take advantage of the growth. First, investments needed to be made into Internet technologies and tools that delivered value and ease of use to the customer. Second, the customer needed to be willing to use the technology to make purchases via the Internet. Finally, the emergence of high-speed internet led to great accessibility for the masses and a shift in consumer behavior in preference of making purchases online. The combination of these developments recharged the airline industry, although this also drove competition between organizations to an all-time high.

The competition led industry leaders to adopt SEM, SEO, pay-per-click, and sponsored search. Many of these technologies vary slightly in theory but are all used to ultimately increase web traffic and ROA. Air France was among these companies and employed Media Contacts to assist in their efforts. Media Contacts is a firm that works with brands to optimize performance and results for companies. They have strategic partnerships with key technology companies like DoubleClick, Google, Yahoo, MSN, and even Kayak. With lots of data to sift through, Media Contacts has many important decisions to make. For instance, they discovered branded keywords would yield more revenue, but unbranded keywords yielded large amounts of single click conversions.

**Next Steps:**

* It would be wise to create a unique publisher strategy to maximize ROI, instead of using a uniform strategy.
* Campaigns need to be optimized with the most effective keywords.
* KPIs and campaign impact
  + Open Rate - changes to the campaign can affect how many potential customers engage the advertising.
  + Click Rate - changes to the campaign can impact number of clicks.
  + Conversation Rate - changes to the campaign content can influence the number of customer purchases.
* I think structure would help. It will make it easier to track the performance and returns on each campaign.

**Case Questions:**

Use a pivot table and accompanying excel data file to compare the key performance metrics for each publisher (or search engine). Please answer the below questions based on case study information and case excel data sheet.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Data |  |  |  |  |
| Publisher Name | Sum of Clicks | Average of Total Cost/ Trans. | Average of Trans. Conv. % | Sum of Total Cost | Sum of Total Volume of Bookings |
| Google - Global | 72895 | 70.8964717 | 0.432664146 | 120946.712 | 797 |
| Google - US | 192109 | 25.11688327 | 0.414798732 | 353640.5989 | 1550 |
| MSN - Global | 11217 | 11.16581686 | 1.133349123 | 12160.36244 | 129 |
| MSN - US | 10808 | 5.157714465 | 0.731464797 | 16098.48741 | 140 |
| Overture - Global | 60899 | 16.46869863 | 0.235710141 | 64295.86214 | 372 |
| Overture - US | 119323 | 43.66068742 | 0.094894724 | 141976.0745 | 289 |
| Yahoo - US | 45598 | 7.956570434 | 1.828814124 | 46197.82462 | 662 |
| Grand Total | 512849 | 27.60744512 | 0.569255075 | 755315.922 | 3939 |

- Which publisher should receive more marketing dollars?

Yahoo-US should receive more marketing dollars because based on the data Yahoo has a high total bookings. Its average cost per transaction is relatively low and it has one of the highest average transaction conversion percent.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | Data |  |  |  |  |
| Publisher Name | Campaign | Sum of Total Cost | Sum of Impressions | Sum of Clicks | Sum of Amount | Count of Keyword ID |
| Google - Global | Air France Brand & French Destinations | 58887.2622 | 268252 | 35674 | 461567.85 | 111 |
|  | Air France Global Campaign | 62059.44977 | 1540074 | 37221 | 467981.95 | 282 |
| Google - Global Total | | 120946.712 | 1808326 | 72895 | 929549.8 | 393 |
| Google - US | Air France Branded | 114363.862 | 900619 | 106153 | 1517842.45 | 40 |
|  | Business Class | 2288.587497 | 13057 | 443 | 144.5 | 15 |
|  | French Destinations | 8017.637482 | 38080 | 3411 | 5103.4 | 83 |
|  | Geo Targeted Boston | 1018.449999 | 11617 | 391 | 2878.95 | 116 |
|  | Geo Targeted Chicago | 777.2624982 | 5388 | 342 | 2740.4 | 45 |
|  | Geo Targeted DC | 803.9624995 | 6304 | 315 | 3300.55 | 118 |
|  | Geo Targeted Detroit | 516.7624998 | 6869 | 186 | 923.95 | 83 |
|  | Geo Targeted Houston | 1673.799997 | 20908 | 568 | 7065.2 | 88 |
|  | Geo Targeted Los Angeles | 967.2499992 | 8673 | 371 | 2183.65 | 104 |
|  | Geo Targeted Miami | 243.8249996 | 2485 | 112 | 470.05 | 33 |
|  | Geo Targeted New York | 7925.962486 | 51925 | 3167 | 33929.45 | 234 |
|  | Geo Targeted Philadelphia | 359.7499999 | 1819 | 125 | 434.35 | 69 |
|  | Geo Targeted San Francisco | 1315.962498 | 8144 | 526 | 3822.45 | 83 |
|  | Geo Targeted Seattle | 1171.224997 | 5456 | 542 | 2817.75 | 33 |
|  | Google\_Yearlong 2006 | 81959.48732 | 1803463 | 30470 | 22373.7 | 520 |
|  | Outside Western Europe | 597.8374992 | 8622 | 216 | 0 | 14 |
|  | Paris & France Terms | 95787.32476 | 484619 | 29039 | 112370.85 | 106 |
|  | Western Europe Destinations | 33851.6499 | 477641 | 15732 | 27080.15 | 287 |
| Google - US Total |  | 353640.5989 | 3855689 | 192109 | 1745481.8 | 2071 |
| MSN - Global | Air France Brand & French Destinations | 12160.36244 | 139979 | 11217 | 145524.25 | 99 |
| MSN - Global Total |  | 12160.36244 | 139979 | 11217 | 145524.25 | 99 |
| MSN - US | Air France Brand & French Destinations | 15966.91241 | 164928 | 10783 | 181549.8 | 94 |
|  | Business Class | 128.8999999 | 5191 | 24 | 0 | 3 |
|  | Geo Targeted Seattle | 2.675 | 1 | 1 | 0 | 1 |
| MSN - US Total |  | 16098.48741 | 170120 | 10808 | 181549.8 | 98 |
| Overture - Global | Unassigned | 64295.86214 | 17898727 | 60899 | 430084.7 | 553 |
| Overture - Global Total | | 64295.86214 | 17898727 | 60899 | 430084.7 | 553 |
| Overture - US | Unassigned | 141976.0745 | 17062488 | 119323 | 347433.25 | 661 |
| Overture - US Total |  | 141976.0745 | 17062488 | 119323 | 347433.25 | 661 |
| Yahoo - US | Air France Branded | 28713.96216 | 362691 | 37021 | 832028.45 | 33 |
|  | Business Class | 851.5624991 | 23630 | 188 | 0 | 13 |
|  | French Destinations | 414.0999993 | 21271 | 290 | 1120.3 | 22 |
|  | General Terms | 606.4749957 | 144298 | 518 | 1977.95 | 1 |
|  | Geo Targeted Atlanta | 265.2499998 | 4428 | 129 | 170 | 37 |
|  | Geo Targeted Boston | 377.7249995 | 4520 | 147 | 0 | 30 |
|  | Geo Targeted Chicago | 804.4124986 | 7302 | 340 | 4403.85 | 50 |
|  | Geo Targeted Cincinnati | 33.75 | 676 | 16 | 0 | 9 |
|  | Geo Targeted DC | 467.3999991 | 13571 | 197 | 1891.25 | 29 |
|  | Geo Targeted Detroit | 202.2624997 | 2779 | 109 | 0 | 22 |
|  | Geo Targeted Houston | 318.9874998 | 4430 | 106 | 0 | 28 |
|  | Geo Targeted Los Angeles | 832.7374982 | 9960 | 316 | 0 | 51 |
|  | Geo Targeted Miami | 394.6999993 | 4734 | 120 | 0 | 19 |
|  | Geo Targeted New York | 1613.712498 | 21241 | 572 | 1650.7 | 54 |
|  | Geo Targeted Philadelphia | 386.2249996 | 5824 | 139 | 0 | 23 |
|  | Geo Targeted San Francisco | 773.4499986 | 17644 | 283 | 0 | 42 |
|  | Geo Targeted Seattle | 0.35 | 1 | 1 | 0 | 1 |
|  | Paris & France Terms | 6810.049975 | 173662 | 4201 | 24022.7 | 63 |
|  | Western Europe Destinations | 2330.712496 | 110683 | 905 | 15023.75 | 108 |
| Yahoo - US Total |  | 46197.82462 | 933345 | 45598 | 882288.95 | 635 |
| Grand Total |  | 755315.922 | 41868674 | 512849 | 4661912.55 | 4510 |

- Which publishers would benefit from changing tactics?

It appears that the publisher that would benefit from changing tactics would be MSN as the impression and click counts a relatively low for the amount of money that Air France is spending on that publisher.

- How does Kayak compare with other search engines?

Most search engines appear to do better than Kayak, however after considering the time span of the Kayak data, the search engine appears to be performing better than most.